



April 30, 2009

**Mediceo Paltac Holdings Co., Ltd.**

Representative: Sadatake Kumakura, Representative Director, President and CEO

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**Notice of Corporate Separations, Merger and Corporate Name Change of  
Mediceo Paltac Group Companies in Reorganization of Animal Health Products  
Wholesale Business**

At a meeting held on April 30, 2009, the Board of Directors of Mediceo Paltac Holdings Co., Ltd. (“Mediceo Paltac”) approved the separation agreement between Mediceo Paltac and EVERLTH Co., Ltd. (“Everlth”), the merger agreement between MARUZEN YAKUHIN CO., LTD. (“Maruzen Yakuhin”) and EVERLTH AGROTECH Co., Ltd. (“Everlth Agrotech”), and the separation agreement between Maruzen Yakuhin and ATOL CO., LTD. (“Atol”). These agreements will take effect on April 1, 2010, and are based on the basic agreement signed on February 10, 2009 between Mediceo Paltac and the four Group companies listed below regarding the reorganization of the Mediceo Paltac Group’s animal health products wholesale business. In addition, the Board of Directors resolved to change the corporate name of Maruzen Yakuhin to MEDICEO AGRO CO., LTD. Details are as follows.

As the corporate separations and merger will be a business reorganization of Mediceo Paltac and its wholly owned subsidiaries, disclosure of certain items and details is omitted.

The four Group companies involved in the restructuring are:

Everlth	Wholly owned consolidated subsidiary of Mediceo Paltac
Atol	Wholly owned consolidated subsidiary of Mediceo Paltac
Maruzen Yakuhin	Wholly owned subsidiary of Mediceo Paltac
Everlth Agrotech	Wholly owned subsidiary of Everlth

**I. Purpose of the Corporate Separations and Merger**

In the Mediceo Paltac Group, Everlth is engaged in the prescription pharmaceutical wholesale business, Atol is engaged in the prescription pharmaceutical wholesale business and the animal health products wholesale business (including the feed and feed additives wholesale business), and Maruzen Yakuhin and Everlth Agrotech are engaged in the animal health products wholesale business.

As part of the reorganization of the Mediceo Paltac Group's businesses, the animal health products wholesale business will be concentrated at Maruzen Yakuhin. With this reorganization, the Mediceo Paltac Group aims to build a more dynamic business operating structure, strengthen sales functions and upgrade the internal control system to raise the operating efficiency of its animal health products wholesale business. In addition, the Group will work to further improve customer service.

## **II. Overview of the Business Reorganization**

Everlth's animal health products wholesale business conducted by its subsidiary will be transferred to Mediceo Paltac via a corporate separation. With this separation, Everlth Agrotech will become a wholly owned subsidiary of Mediceo Paltac.

Simultaneously, Everlth Agrotech will be merged into Maruzen Yakuhin and dissolved.

In addition, Atol will transfer its animal health products wholesale business (including its feed and feed additives wholesale business) to Maruzen Yakuhin via a corporate separation.

## **III. Summary of the Corporate Separations and Merger**

### **1. Business Reorganization among Mediceo Paltac and the Four Group Companies Above**

February 10, 2009	Board of Directors meeting to approve the Basic Agreement
February 10, 2009	Signing of the Basic Agreement

### **2. Corporate Separation of Mediceo Paltac and Everlth**

#### **(1) Summary of the Corporate Separation**

##### **1) Separation Schedule**

April 30, 2009	Board of Directors meeting to approve the Separation Agreement
April 30, 2009	Signing of the Separation Agreement
April 1, 2010 (planned)	Effective date of the separation

Note: This corporate separation is a simple separation pursuant to Article 796-3 of the Corporation Law for Mediceo Paltac, and an informal separation pursuant to Article 784-1 of the Corporation Law for Everlth. Therefore, it will be carried out without obtaining the approval of the general meeting of shareholders of either company.

##### **2) Separation Method**

This corporate separation will be a separation by absorption, with Everlth as the separating company and Mediceo Paltac as the successor company.

##### **3) Allocations Related to the Separation**

No new shares will be issued as a result of this separation, as Everlth is a wholly owned subsidiary of Mediceo Paltac.

##### **4) Increase in Capital, etc., due to the Separation**

The amount of Mediceo Paltac's paid-in capital will not change as a result of this separation.

5) Handling of Stock Options and Warrant Bonds of the Separating Company

The separating company has not issued any stock options or warrant bonds.

6) Rights and Obligations to be Assumed by Mediceo Paltac

Mediceo Paltac will assume the assets, the corresponding rights and obligations and the contractual positions of the subsidiary that conducts the animal health products wholesale business at Everlth. Assumption of the obligations will be done by concomitant assumption of debt.

7) Forecast of Discharge of Debt

Mediceo Paltac as the successor company and Everlth as the separating company have determined that, as a result of this separation, there will be no problem as to the certainty of the discharge of debt arising on or after the effective date of the separation.

(2) Summary of the Business to be Assumed

1) Business of the Division to be Assumed

Mediceo Paltac will assume the administrative business of the animal health products wholesale subsidiary from Everlth.

(3) Overview of Companies Party to the Separation

(As of September 30, 2008)

1) Corporate name	Mediceo Paltac Holdings Co., Ltd. (Consolidated) [Successor company] (note)	EVERLTH Co., Ltd. (Nonconsolidated) [Separating Company]
2) Principal business	Wholesale of pharmaceuticals, cosmetics and daily necessities	Wholesale of prescription pharmaceuticals
3) Date established	May 6, 1923	April 14, 1950
4) Head office	7-15, Yaesu 2-chome, Chuo-ku, Tokyo	3-1, Kanayama-cho, Naka-ku, Hiroshima-shi, Hiroshima
5) Representative	Sadatake Kumakura, President and CEO	Takashi Saito, President
6) Paid-in capital	¥22,398 million	¥1,510 million
7) Number of outstanding shares	244,524,496 shares	17,400,000 shares
8) Total net assets	¥300,830 million	¥37,618 million
9) Total assets	¥1,128,396 million	¥87,390 million
10) Fiscal year end	March 31	March 31
11) Major shareholders and percentage of total shares held	1. Takeda Pharmaceutical Company Limited 9.26% 2. State Street Bank and Trust Company 8.48% 3. Astellas Pharma Inc. 3.03% 4. Employees Shareholders' Association 3.01% 5. Japan Trustee Services Bank, Ltd. (Trust account 4G) 2.75%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%

Note: As previously announced in "Notice of a Shift to a Pure Holding Company System through Demerger" released January 30, 2009, Mediceo Paltac is scheduled to shift to a pure holding company structure effective October 1, 2009 (planned).

### 3. Merger of Maruzen Yakuhin and Everlth Agrotech

#### (1) Summary of the Merger

##### 1) Merger Schedule

April 30, 2009	Board of Directors meeting to approve the Merger Agreement
April 30, 2009	Signing of the Merger Agreement
May 28, 2009 (planned)	General shareholders' meeting to approve the Merger Agreement (Maruzen Yakuhin)
June 17, 2009 (planned)	General shareholders' meeting to approve the Merger Agreement (Everlth Agrotech)
April 1, 2010 (planned)	Effective date of merger

##### 2) Merger Method

The merger will be a merger by absorption, with Maruzen Yakuhin as the surviving company. Everlth Agrotech will be dissolved upon the merger.

##### 3) Allocations Related to the Merger

Maruzen Yakuhin is a wholly owned subsidiary of Mediceo Paltac, and Mediceo Paltac will own all of the shares of Everlth Agrotech through the corporate separation between Mediceo Paltac and Everlth. Therefore, no new shares will be issued as a result of this merger.

#### (2) Overview of Companies Party to the Merger

(As of September 30, 2008)

1) Corporate name	MARUZEN YAKUHIN CO., LTD. (Nonconsolidated) [Surviving company]	EVERLTH AGROTECH Co., Ltd. (Nonconsolidated) [Dissolving company]
2) Principal business	Wholesale of animal health products	Wholesale of animal health products
3) Date established	July 9, 1956	July 19, 2000
4) Head office	2-13, Oomagari Kogyo Danchi 6-chome, Kitahiroshima-shi, Hokkaido	5-1, Omotecho 3-chome, Okayama-shi, Okayama
5) Representative	Hidetoshi Takashima, President	Shinsaku Fujiwara, President
6) Paid-in capital	¥44 million	¥200 million
7) Number of outstanding shares	89,150 shares	4,000 shares
8) Total net assets	¥1,985 million	(¥53 million)
9) Total assets	¥7,548 million	¥3,288 million
10) Fiscal year end	March 31	March 31
11) Major shareholders and percentage of total shares held	1. Mediceo Paltac Holdings Co., Ltd. 100.00%	1. EVERLTH Co., Ltd. 100.00% <sup>(Note)</sup>

Note: Everlth Agrotech shareholders will become Mediceo Paltac shareholders upon the corporate separation on April 1, 2010 (planned).

#### 4. Summary of the Corporate Separation of Maruzen Yakuhin and Atol

##### (1) Summary of the Corporate Separation

###### 1) Separation Schedule

April 30, 2009	Board of Directors meeting to approve the Separation Agreement
April 30, 2009	Signing of the Separation Agreement
May 28, 2009 (planned)	General shareholders' meeting to approve the Separation Agreement (Maruzen Yakuhin)
June 22, 2009 (planned)	General shareholders' meeting to approve the Separation Agreement (Atol)
April 1, 2010 (planned)	Effective date of separation

###### 2) Separation Method

This corporate separation will be a separation by absorption, with Atol as the separating company and Maruzen Yakuhin as the successor company.

###### 3) Allocations Related to the Separation

No new shares will be issued as a result of this separation, as Maruzen Yakuhin and Atol are wholly owned subsidiaries of Mediceo Paltac.

###### 4) Increase (Decrease) in Capital, etc., due to the Separation

The amounts of Maruzen Yakuhin's and Atol's paid-in capital will not change as a result of this separation.

###### 5) Rights and Obligations to be Assumed by Maruzen Yakuhin

Maruzen Yakuhin will assume the assets, liabilities and corresponding rights and obligations and the contractual positions of the animal health products wholesale business (including the feed and feed additives wholesale business) at Atol. Assumption of the obligations will be done by concomitant assumption of debt.

##### (2) Summary of the Business to be Assumed

###### 1) Business of the Division to be Assumed

Maruzen Yakuhin will assume the animal health products wholesale business (including the feed and feed additives business) from Atol.

###### 2) Business Results of the Division to be Assumed (Year ended March 31, 2008)

Net sales	¥13,277 million
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## (3) Overview of Companies Party to the Separation

(As of September 30, 2008)

1) Corporate name	MARUZEN YAKUHHIN CO., LTD. (Nonconsolidated) [Surviving company]	ATOL CO., LTD. (Nonconsolidated) [Separating company]
2) Principal business	Wholesale of animal health products	Wholesale of prescription pharmaceuticals
3) Date established	July 9, 1956	January 29, 1947
4) Head office	2-13, Oomagari Kogyou Danchi 6-chome, Kitahiroshima-shi, Hokkaido	2-51, Hanmichibashi 2-chome, Hakata-ku, Fukuoka-shi, Fukuoka
5) Representative	Hidetoshi Takashima, President	Osamu Watanabe, President
6) Paid-in capital	¥44 million	¥3,965 million
7) Number of outstanding shares	89,150 shares	21,300,600 shares
8) Total net assets	¥1,985 million	¥37,706 million
9) Total assets	¥7,548 million	¥104,912 million
10) Fiscal year end	March 31	March 31
11) Major shareholders and percentage of total shares held	Mediceo Paltac Holdings Co., Ltd. 100.00%	Mediceo Paltac Holdings Co., Ltd. 100.00%

## IV. Business Results for the Previous Three Fiscal Terms

(Millions of yen)

Fiscal year ended	Mediceo Paltac (Consolidated) (Successor company)			Maruzen Yakuhin (Nonconsolidated) (Surviving company/Successor company)		
	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2006	March 31, 2007 <sup>(Note)</sup>	March 31, 2006
Net sales	1,921,713	2,166,762	2,254,936	14,222	10,441	15,065
Operating income (loss)	20,608	27,776	27,950	488	(576)	344
Ordinary income (loss)	32,736	41,574	42,635	484	(564)	372
Net income (loss)	20,842	19,105	27,794	278	(385)	36
Net income per share (¥)	97.64	82.86	119.20			
Cash dividends per share (¥)	15.00	15.00	18.00			
Net assets per share (¥)	1,051.97	1,128.39	1,219.50			

Note: Maruzen Yakuhin changed its fiscal year in the period ended March 31, 2007. As a result, this fiscal term was a nine-month period from July 1, 2006 to March 31, 2007.

(Millions of yen)

Fiscal year ended	Everlth (Nonconsolidated) (Separating company)			Everlth Agrotech (Nonconsolidated) (Dissolving company)		
	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2006	March 31, 2007	March 31, 2008
Net sales	153,096	148,642	145,965	9,064	9,402	9,761
Operating income	1,612	1,016	1,049	38	76	99
Ordinary income	2,393	1,859	1,621	52	92	113
Net income	1,196	417	1,003	46	86	101

(Millions of yen)

Fiscal year ended	Atol (Nonconsolidated) (Separating company)		
	March 31, 2006	March 31, 2007	March 31, 2008
Net sales	186,030	187,558	194,192
Operating income	2,233	2,453	2,182
Ordinary income	2,753	2,886	2,707
Net income	985	1,231	1,715

## 5. Situation after the Corporate Separations and Merger

### (1) Mediceo Paltac

This business reorganization will not be accompanied by any changes in Mediceo Paltac's corporate name, business description, head office address, representatives, capital or fiscal year end.

### (2) Maruzen Yakuhin

- |                             |   |
|-----------------------------|---|
| 1) Corporate name:          | MEDICEO AGRO CO., LTD.  |
| Reason for name change:     | With the business reorganization, the company's name will be changed to MEDICEO AGRO CO., LTD. to enhance its sense of identity as a member of the Mediceo Paltac Group and to increase business synergy.     |
| Effective date of new name: | April 1, 2010 (planned)   |
| 2) Main business:           | Animal health products wholesale business   |
| 3) Head office address:     | 2-13, Oomagari Kogyou Danchi 6-chome, Kitahiroshima-shi, Hokkaido   |
| 4) Representatives          | Taro Shintani, Chairman<br>(Currently Special Advisor to Mediceo Paltac and Director [part-time] of Maruzen Yakuhin)<br>Takashi Matsuya, President<br>(Currently Senior Managing Director of Maruzen Yakuhin) |
| 5) Capital:                 | ¥44 million   |
| 6) Fiscal year end:         | March 31  |

## 6. Effect of the Corporate Separations and Merger on Business Results of Mediceo Paltac

The business reorganization will have no effect on Mediceo Paltac's consolidated business results for the fiscal year ending March 31, 2010.

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